

**KENTUCKY BOARD OF EDUCATION
REGULAR MEETING
APRIL 2-3, 2003**

**STATE BOARD ROOM
1ST FLOOR, CAPITAL PLAZA TOWER
FRANKFORT, KENTUCKY**

SUMMARY MINUTES

The Kentucky Board of Education held its regular meeting on April 2-3, 2003, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, Kentucky. The Board conducted the following business:

Wednesday, April 2, 2003

CALL TO ORDER

Chair Helen Mountjoy called the Board meeting to order at 9:05 a.m. She asked that everyone remember those that may be in harm's way in the war in Iraq even as the Board does what it can to help build the future. Mountjoy then gave the following quote from John Kennedy: "There is an old saying that the course of civilization is a race between catastrophe and education. In a democracy such as ours, we must make sure that education wins the race."

ROLL CALL

Present for the meeting were Janice Allen, Alcie Combs, Dorie Combs, Gail Henson, Sue Hodges Moore, Helen Mountjoy, Hilma Prather, Samuel Robinson, David Tachau, Keith Travis and Paul Whalen. Absent from the meeting was Jeff Mando.

APPROVAL OF MINUTES

Alcie Combs moved approval of the February 5-6, 2003, regular meeting minutes, and the January 13, 2003, special meeting minutes, to include technical corrections, and Samuel Robinson seconded the motion. The motion carried.

REPORT OF THE SECRETARY OF THE EDUCATION, ARTS AND HUMANITIES CABINET

Secretary Marlene Helm included the following items in her report to the Board:

- 2003 Literacy Summit - The 2003 Literacy Summit will be held on June 17 with the focus being on the work of P-16 Councils and helping communities ensure that a vibrant literacy effort exists;

- Governor's School for the Arts and Governor's Scholars Programs - Both the Governor's School for the Arts and Governor's Scholars Programs were held harmless from budget cuts. The Governor's School for the Arts begins June 22 at Transylvania University with July 10 being VIP Day that could be used for Board members to visit. Additionally, the Governor's Scholars Program will house about 1,000 students on three campuses;
- Director of KET - Malcolm Wall is the new director of Kentucky Educational Television (KET);
- Director of Kentucky History Center - The search for the director of the Kentucky History Center is in process; and,
- Director of Kentucky Center for the Arts - The new executive director for the Kentucky Center for the Arts is Arthur Jacobis.

REPORT OF THE PRESIDENT OF THE COUNCIL ON POSTSECONDARY EDUCATION

Interim President Sue Hodges Moore shared the following items with the Board:

- ACT Feedback Reports - ACT mailed out the feedback reports this week and every high school will receive these. The reports went out over the signatures of Commissioner Wilhoit and Sue Hodges Moore as a joint effort and the reports are designed to provide data that can be used for high school improvement. In the future, it is hoped that this data can be part of MAX;
- Joint Engineering Program - An agreement has been forged between several universities to offer a joint engineering program across the state with the goal of getting more students interested in engineering;
- Closing the Gap Conferences - The Council on Postsecondary Education is targeting the reduction of the achievement gap by sponsoring two conferences this summer that will encourage an increase in college attendance by African-American students;
- National Forum on Student Learning Project - As part of the National Forum on Student Learning, Kentucky is working with other states to develop a common set of assessment instruments with the hope of developing national standards for undergraduate learning; and,
- Improving Educator Quality Grants - The Council on Postsecondary Education has funded four proposals for the improving educator quality grants. This initiative is a collaborative effort between the Council on Postsecondary

REPORT FROM THE PRE-K TO 16 COUNCIL

Paul Whalen noted that the last meeting of the Pre-K to 16 Council focused on the recommendations from the American Diploma Policy Panel. Five recommendations were made and work is still being done on the policy implications of these. Those recommendations are as follows:

- Recommendation 1: Kentucky's Educational P-16 partners will align pre-service and professional service development activities with refined content standards reflecting the benchmarks developed by the American Diploma Project (ADP).
- Recommendation 2: Kentucky's P-16 educators will align writing programs and initiatives.
- Recommendation 3: The Kentucky Board of Education, Kentucky Department of Education, Council on Postsecondary Education and the Cabinet for Workforce Development will strengthen Kentucky's educational expectations around mastery of refined content standards based on the benchmarks developed by the ADP.
- Recommendation 4: The P-16 Council will request that the Kentucky Board of Education examine existing graduation requirements.
- Recommendation 5: The P-16 Council will work with all agencies to develop a communication plan to educate citizens regarding postsecondary and new economy expectations for high school graduates.

The Board was then reminded by Commissioner Wilhoit that the Pre-K to 16 Council has no authority to enforce these recommendations and that they would have to come back to the respective bodies for formal approval. Wilhoit noted that he hoped to begin to deal with some of these issues at the June meeting. He also summarized some of the issues he is hearing from various constituencies as follows:

- A lot of pressure is being put on the CATS system with many people being interested in the reporting of individual student performance. Encouragement has been given to the American Diploma Project Policy Panel to look for other instruments that would compliment CATS; however, the Kentucky Board of Education must ultimately decide how to address this issue.
- A desire exists to have information from the high school experience for higher education and employer purposes.
- A need for more rigorous mathematics requirements is a priority.

REPORT OF THE COMMISSIONER OF EDUCATION

Commissioner Gene Wilhoit shared the following items with the Board:

- Testing season is upon us and districts were provided latitude with a wider assessment window, which appears to be helpful especially with the recent weather-related events;
- The differentiated compensation grants have been awarded with 39 applicants submitting proposals and ten being funded. Through the awarding of the grants, the Department was able to cover all areas required from the legislation. The University of Kentucky was involved with the Department for evaluation purposes and most of the projects will utilize experienced teachers to work with inexperienced ones;
- Visits by the Commissioner have been occurring around the state and to this point in time, Keith Travis, Alcie Combs and Janice Allen have been able to attend some of these visits. The visits are designed to help with the development of the high school agenda that has been requested by the Board. The idea is to see if it can be determined what things have ensured the success of these schools so that the strategies/approaches can be shared with others. A document of reflections from all the visits will be produced once these are completed; and,
- The Department of Education leadership staff are meeting twice weekly to work on the ramifications from the legislative session and it is hoped that any necessary changes will be in place by July.

GOOD NEWS FROM SCHOOLS AND DISTRICTS

On behalf of the Board, Chair Helen Mountjoy offered congratulations to:

- Trevin and Tanner Wellman and Caitlin and Chloe Turner from Kenton County Elementary School. These two sets of twins are among 24 regional winners of the Toshiba/National Science Teacher's Association ExploraVision Contest. Their proposal dealt with what school buses might look like in the future;
- Vinita Alexander, a senior at DuPont Manual High School in Jefferson County, who has been doing research at the University of Louisville in the nanotechnology lab since she was a sophomore. She has been chosen as a semi-finalist in the 2003 Intel Science Talent Search Contest. This achievement was made possible by a great partnership between the University of Louisville and the Jefferson County School District; and,

- John Tamplin, a 10-year old student at Brandeis Elementary in Jefferson County, who has for the second year in a row won the Kentucky Derby Festival Spelling Bee.

BOARD MEMBERS CONCERNS

The following items were raised by the Board:

- ❖ Kentucky Department of Education staff were complimented on the organization and quality of the Kentucky Teaching and Learning Conference;
- ❖ Questions were raised about whether the Board should formalize its oversight of the Kentucky School for the Blind/Kentucky School for the Deaf. It was decided that this would be dealt with at the Board's retreat next month;
- ❖ A query was raised about how much involvement the Department had in the funding of new buildings by the legislature. It was reported that the Department was asked to supply data to legislators, which was used by the General Assembly to generate two different funds for new school facilities. Department staff indicated more would be shared on this matter during the legislative report;
- ❖ A request was made for all Board members to get a tape of the Commissioner's keynote address from the Kentucky Teaching and Learning Conference; and,
- ❖ Concern was expressed about the portfolio process and the need for staff to help schools make the development of portfolios a regular part of instruction rather than a short-term intensive activity.

KDE EMPLOYMENT REPORT

A request came from the Board to know how many superintendent vacancies exist in Kentucky and for staff to increase the focus on the recruitment of minorities to fill the vacancies.

PRESENTATION ON PARTNERSHIP FOR KENTUCKY SCHOOLS INITIATIVE

Carolyn Witt Jones, Executive Director for the Partnership for Kentucky Schools, appeared before the Board to explain the Partnership for Kentucky Schools initiative. She shared the following information:

- The initiative will direct the organization's resources to the school level in eight Kentucky communities;
- The objective of the initiative is to help each participating school move toward its goal for academic achievement in a way that works best for that school. Elements

will be custom designed specifically with each school based on its school improvement plan, the results of a scholastic audit/review or both;

- School participation is strictly voluntary;
- Eight schools, one from each region of Kentucky, will participate;
- The Partnership will support the schools in several ways. As defined in dollars, the support will be the equivalent of up to \$50,000 per school over the life of the work, which is expected to last for at least 2 years. This support will take a variety of forms, including resource and program materials, technical assistance, financing for specific programs, employment of the site coordinator and research development;
- Beyond the financial element, the Partnership will work with each community to increase the number of people who support the school's effort; and,
- Evaluation of the initiative will include on-site observation, independent researchers, school performance on the CATS assessment and other measures. The Partnership will consult with the individual schools to determine the evaluation process for each.

Ms. Jones indicated that the level of commitment and involvement expected from the schools is very deliberate and in-depth. She noted that the initiative will put real feet behind the data that is gathered and emphasized that the legislators from the areas surrounding these schools must also be engaged in this effort. Jones said that at the end of two years, the Partnership hopes to have eight success stories and commented that the communities must be activated to support these schools. She explained that she hoped to come back in the future to share the findings of the project with the Board and said the Partnership is working in coordination with the Department of Education.

Board members were concerned about identifying sufficient funds for this initiative and it was reported that additional funds are being pursued to try and extend the project over a 4-year period. A list of donors was requested to be sent to the Board and for the tool kits that will be produced to be accessible to teacher education majors.

Chair Mountjoy closed out the discussion by pointing to the relationship between this initiative and the Board's goal of having a strong supportive environment for each school and every child.

NO CHILD LEFT BEHIND ACT RELATED ISSUES

The Board was first asked to focus on the suggested language changes for Indicator 3.2 of the *No Child Left Behind Act* that was submitted as part of Kentucky's Accountability Application at the end of January. Chair Mountjoy noted that these changes were recommended by the National Technical Advisory Panel on Assessment and

Accountability and asked for a motion to ratify the changes so that they could be part of the Peer Review Panel session on April 15. Keith Travis moved approval of the suggested language changes and Gail Henson seconded the motion. The motion carried.

Next, the Board considered the adoption of the five goals from the *No Child Left Behind Act* that must be acted on in order to receive federal dollars. The Board was apprised that it must adopt the goals and submit indicators for monitoring these goals to the United States Department of Education by May 1, 2003. The Commissioner clarified that for Goal 3, the work of the Education Professional Standards Board would need to be adopted because it is the legal entity on this particular matter. At this point, Hilma Prather moved to adopt the *No Child Left Behind Act* goals and Janice Allen seconded the motion. The motion carried.

As to the specific indicators for monitoring the goals, it was noted that a process must be identified for gathering baseline information. The Commissioner clarified that for different goal areas, staff are at different points in establishing baseline information. Thus, Gail Henson moved to set up a process for establishing Kentucky-specific indicators for Goals 1 and 2, approve the federal performance indicators for Goals 3, 4 and 5 and approve setting up a process for establishing baselines for all performance indicators. Dorie Combs seconded the motion and it carried.

Additional issues related to the individual goals needing Board guidance included:

- Goal 1 – The Board had already dealt extensively with issues surrounding the reporting of academic achievement by the accountability index rather than reading/language arts and mathematics at its January 13, 2003, special meeting. Therefore, by consensus the Board indicated its desire to stand firm on the decisions related to Goal 1 from the January 13 meeting.

The Commissioner then shared that the next step relative to assessment and accountability would be the Peer Review Panel that would be conducted on April 15, 2003. This session will give the Panel the chance to ask clarifying questions about Kentucky's plan and report back to the United States Department of Education. He noted that seven states' plans are now approved and indicated relative to Kentucky's plan, there will be a meeting with United States Department of Education staff between the Peer Review session and this summer to work out any issues raised by the Peer Review Panel.

It was suggested that the retreat would be a good time to discuss any issues that arise from the Peer Review Panel, especially if a meeting with the United States Department of Education can take place between the Peer Review Panel and date of the retreat. Chair Helen Mountjoy agreed if feedback is received in time for consideration.

- Goal 2 – Board members were reminded that two of the three performance indicators for Goal 2 relate to the achievement of academic standards specific to

Limited English Proficient (LEP) students. Extensive background information on current Department of Education activities relative to LEP students was provided. The first issue requiring Board action relative to LEP students was whether the Kentucky Board of Education should set an assessment window for administration of the English language proficiency assessment to determine progress. Instead of setting an assessment window, staff recommended to the Board that it submit interim baseline data on English language proficiency in September 2003 using the most recent data from the Language Assessment Scales (LAS) and the IDEA Language Proficiency Test (IPT) until STI is fully operational for collecting the English language proficiency data in succeeding years. Samuel Robinson then moved to approve staff's recommendation and Gail Henson seconded the motion. The motion carried.

The Board was also asked whether it should adopt English language proficiency standards for the May 2003 submission. Staff recommended submitting a timeline, current status and plan of action in May 2003. Gail Henson moved to accept staff's recommendation and Dorie Combs seconded the motion. The motion carried.

A request was then made to discuss the implications of these LEP requirements on budget and professional development at the May retreat.

- Goal 3 – Wendell Cave and Phil Rogers, from the Education Professional Standards Board, appeared to address some of the issues in this goal since it deals with all students being taught by highly qualified teachers by 2005-2006. Phil Rogers then shared that basically Kentucky is in excellent shape toward meeting the requirements of having highly qualified teachers in every classroom. Rogers shared there is still work yet to be done relative to teachers in alternative schools, special education teachers, teachers coming in from other states, K-8 certified teachers in middle schools and emergency certified teachers. All other teachers were characterized as meeting the highly qualified standard.

Still a part of Goal 3, Chair Mountjoy indicated that Indicator 3.3 addresses paraprofessionals, which is under the jurisdiction of the Kentucky Board of Education. The Board was asked to define “high quality” professional development in relation to Indicator 3.2. Staff recommended that the Board provide non-regulatory guidance on “high quality”. Paul Whalen moved to accept the recommendation from staff and Dorie Combs seconded. The motion carried.

- Goal 4 – The Board was asked to define “persistently dangerous school” and “victim of a violent crime” for submission to the United States Department of Education by July 1, 2003. Staff was requested to first summarize what Kentucky schools do right now to intervene in school safety issues.

Department staff indicated that safety information is collected through STI and that the Department of Education works collaboratively with the Kentucky School Boards Association, Center for School Safety and the KSBA Trust to provide professional development to meet the needs requested by schools. A complete safety assessment is available to schools upon request. It was also noted that the scholastic audits/reviews deal with safety issues; however, staff pointed out there is no mandate in place to force improvement in the area of safety. Each school does get state dollars for school safety initiatives along with the offer of assistance from the Department of Education and Center for School Safety.

Concerns were then expressed by some Board members that the Board has set very high academic standards for accountability but that the standards for the proposed definitions for “persistently dangerous school” and “victim of a violent crime” are not as stringent. Staff clarified that the submitted definitions are aligned with those of many other states and that no attempt was made to set low standards, with the key word in the definition being “persistently”. Concern was also expressed about restricting the definitions to A1 schools only.

Due to the level of concern about the proposed definitions, the Commissioner directed that staff revisit the definitions and treat them in a manner that would produce a tiered approach. He stated that revised definitions would come back to the Board at the June meeting.

- Goal 5 – Goal 5 deals with all students graduating from high school and the Board was asked to consider if it should approve a graduation rate and establish this as a performance indicator for Goal 5. Staff recommended setting a graduation rate of 90% for each subpopulation.

Much concern was expressed among Board members that a 90% rate was too low. Staff responded that a 2.5% dropout rate translates to a 90% graduation rate. It was then clarified that the only way the graduation rate will be used is as another academic measure and for measuring progress in safe harbor. Staff was asked if there was any problem setting a higher rate and they replied none exists. The Commissioner emphasized that it is not publicly acceptable to say it's okay to drop out of school. He recommended that the goal be to eliminate dropouts and move all students toward graduation with the expected rate being 100%. Thus, Keith Travis moved to accept the Commissioner's recommendation and set the rate at 100% and Paul Whalen seconded the motion. The motion carried.

2003 ELEMENTARY AND SECONDARY EDUCATION LEGISLATION AND BUDGET

Deputy Commissioner Kevin Noland began by summarizing the legislation that passed in the 2003 session related to elementary and secondary education. He indicated that the Commissioner and staff would meet with superintendents tomorrow afternoon on these matters. Those bills highlighted by Noland were as follows:

- Board Confirmations - Seven Kentucky Board of Education members were confirmed and all did a good job with their presentations before the legislature;
- Board Qualifications - Questions on Kentucky Board of Education qualifications were clarified by Senate Bill 152. In the future, even if Board members have interactions with one or two districts locally, this does not prohibit a member from serving on the Kentucky Board of Education. The bill clarifies that a professional educator has the ability to serve as long as he/she is not involved in the K-12 level;
- ROTC Requirement and CSIF Flexibility - House Bill 269 will require the Kentucky Board of Education to open the Program of Studies regulation in order to allow ROTC as a physical education course. This bill also authorized the Commissioner of Education to use Commonwealth School Improvement Funds to provide support services to schools needing assistance under KRS 158.6455 or in order to meet the requirements of the *No Child Left Behind Act*. The Commissioner indicated that this flexibility would be important given the elimination of the Regional Service Centers. It was also pointed out that similar flexibility was given by this bill to the Commissioner relative to expending monies appropriated for the highly skilled educator program on intervention services that may be required by the *No Child Left Behind Act*;
- Elementary Arts and Foreign Language Program - Senate Bill 154 requires the Department of Education to establish an elementary arts and foreign language program. No funds were included for this year; however, monies were included the second year of the biennium to establish one pilot in each region;
- Publication of Reports - Other provisions of House Bill 269 no longer require local school districts to publish their annual financial statements and school report cards in the newspaper. The bill provides the option to publish these electronically or through the local library system;
- Weather-Related Disaster Days - Both House Bill 224 and Senate Bill 132 dealt with weather disaster days and instructional time make-up, for this school year only. Relative to Senate Bill 132, schools had to miss at least 10 days before the Commissioner is allowed to excuse up to five days. Certified staff were still required to make-up the time per their employment contracts. House Bill 224 went on to mandate that if a school district applies for the five days to be forgiven and other time is made-up by adding minutes to the school day, employees working these longer days would also receive credit for the time relative to their employment contracts. This provision applies to both certified and classified employees. Deputy Commissioner Noland noted that districts will be cautioned that they cannot pay public funds if the employee has not worked the time;

- Veterans Day Observance - House Bill 303 requires that all public high schools devote at least one class period within the five days preceding Veterans Days to its observance.

Next, Associate Commissioner Kyna Koch was asked to give highlights of the 2003 Kentucky General Assembly budget. Those highlights were as follows:

- Current Year SEEK - SEEK for the current year is running \$48 million short. \$14.7 million of that \$48 million was put back into the budget for the current year by the General Assembly. Districts have been notified how much of the \$14.7 million they will receive and SEEK checks will be adjusted appropriately;
- SEEK Increase for 2004 - The General Assembly added almost \$80 million to SEEK in 2004 and raised the base to \$3,191, which is good news. The Department had advised districts to plan conservatively, so dollars being put into the second year of the budget are extremely important. However, even though \$80 million was added, SEEK is still under-funded;
- Salary Increases - Districts are expected to give a raise of \$1,080 to certified employees and prorate this if the employee is less than full-time. Classified employees are mandated to receive a 2.7% raise. This is the first time there has been a mandated increase for classified employees.

An issue was raised as to how much of the 3.6% increase in SEEK would be used to cover these mandated salary increases. Department staff indicated that statewide, the \$80 million would barely cover the salary increases. However, staff went on to explain that if one looks at the situation district by district, this plays out differently. The Commissioner added that the legislature made a deliberate decision relative to salary increases to weigh this toward beginning teachers.

Department staff went on to note an issue faced by districts is that the legislative language says that the certified employees will get “at least” a \$1,080 increase. If this is taken literally, staff advised it would be handled outside of the salary schedule, which is possible within the MUNIS system. However, districts can also legally decide to put the \$1,080 in each cell of the salary schedule. Staff reported this seems to be the option that is being chosen by many districts because if the \$1,080 is outside of the salary schedule once, it is outside of the schedule forever.

- Elimination of the Regional Service Centers - The Regional Service Centers were eliminated and the Department leadership team is working on how to continue meeting the needs of districts without this funding. A question was raised as to how many employees this eliminated and staff responded that 88 employees would no longer be part of the Department of Education. Board members expressed concern about these employees and asked if the Department is doing

anything to help them with their displacement. The Commissioner indicated that the ones going back to their respective school districts are the responsibility of those districts and that the Department is trying to provide employment options to the 18A employees and others not connected with local districts. The Commissioner also expressed concern about being able to keep up the high level of assistance to Level 2 schools that has been possible through the Regional Service Centers;

- Elimination of Management Assistance Funding - The dollars allocated to support the Management Assistance function were eliminated. These dollars were used to fund state management in Floyd County and assistance to districts like Covington Independent that are experiencing a deficit problem. How to provide these services will have to be rethought and Deputy Commissioner Kevin Noland indicated at the June meeting the Board will need to consider the future of these services;
- School Technology Trust Fund - The School Technology Trust Fund was originally funded by House Bill 1 in the 2002 regular session at a \$20 million level; however, in the current budget, it was first scaled back to \$15 million and then through some negotiations, \$3.7 million was restored, putting this fund at an \$18.7 million level;
- School Rewards Trust Fund - Appropriations for the School Rewards Trust Fund were eliminated and Board members were made aware that for there to be rewards in 2005, the General Assembly would have to appropriate the total amount. Deputy Commissioner Kevin Noland advised that the Board will need to advocate for these funds in the next legislative session;
- Textbook Funds - Textbook funds were not continued for FY 2004. Questions have come from districts about what this means and the Department has responded that districts are free to buy from the state list but must use their own dollars to do so. An issue raised for the Board's consideration was whether to request \$21.7 million to restore the program to start the next adoption cycle or whether to ask for almost \$43 million to make up for both the math and practical living adoption cycles;
- Health and Life Insurance - Health and life insurance appropriations were reduced by \$10 million, but staff commented this did not affect the program. The \$10 million was determined to be in excess that would have been carried over into 2004;
- Nickels - Relative to the equalized growth nickel, staff explained that SEEK currently has within it a nickel known as the Facilities Support Program of Kentucky where local districts levy five cents and then this is equalized from the state level to be used for their facilities program. It was clarified that these dollars have to be spent on either renovation or new construction and that the dollars go

into a restricted account. Board members were apprised that every district in the state levies this five cents.

Department staff went on to explain that as a result of the recent legislative session, there are now three more nickels. One of these is an additional nickel that can be levied by the local district for facilities but is subject to recall. Staff noted that most districts are not helped by this because they are not able to get voters to pass this added assessment.

The Board learned that the other nickels are associated with growth districts. Growth districts that have met the growth district criteria and have already levied the growth nickel and still meet eligibility requirements for levying the growth nickel, can levy another nickel and get the first one equalized by the state. This provides an incentive for growth districts to take on more responsibility for their problems with the carrot of equalizing the first nickel. These nickels affect about 15 districts. Staff were asked to furnish the criteria for growth districts to the Board;

- Urgent Need Trust Fund - The Urgent Need Trust Fund was created by the legislature to address those Category 5 buildings currently on the facility plans that districts have submitted. It was noted that Category 5 buildings are the worst buildings in the state. This trust fund would provide state funding to address those Category 5 projects. Chair Mountjoy noted that in June the Board will receive a briefing on facility issues to include Category 5 buildings;
- Other Category 5 Buildings - Funding to deal with another set of Category 5 buildings was also allocated by the 2003 legislative session. These Category 5 buildings would be ones that would require some type of consolidation effort at the local level and are not currently on local district facility plans. Staff gave the example of Prestonsburg Elementary in Floyd County where combining Prestonsburg Elementary and Clark Elementary would enable the district to build a new elementary school. It was explained that it would force local districts to decide if the consolidation is appropriate and consistent with the direction the districts want to take for facilities. If they are willing to do so, the districts are eligible for the dollars appropriated by the legislature. Clarification was given that in all cases the schools affected by this appropriation are too small to build a new school based on an individual school's population.

Concern was raised by the Board that some are saying the Kentucky Department of Education used this budget initiative as a way of getting rid of some local schools. Staff were asked if this plan originated at the Department and if the Department lobbied for this initiative.

Department staff indicated that initially a very different plan went to the General Assembly on Category 5 buildings that was consistent with the Kentucky Board of Education's goals. It was explained that both of the Category 5 initiatives

came to the Department as legislative requests for very specific information and that the Department met the requests from legislators for the data.

Chair Helen Mountjoy noted that the Kentucky Board of Education's responsibility is to make sure that these dollars are distributed as designated by the legislature and to make any changes in regulation required by the legislation. Department staff clarified that no regulation changes would be necessary because the mechanism for the Board's consideration of local district facility issues would be when their facility plans would come before the state board for consideration. At this point the Commissioner stated that concern exists this will force local communities to consolidate schools; however, he emphasized the legislature has offered the funds and it is the district's choice whether to meet the criteria for receiving the funds.

The last portion of the legislation and budget discussion was handled by Associate Commissioner Robin Kinney. She indicated that as of December of last year, all of state government has operated under an Executive Order from Governor Patton that placed restrictions and moratoriums on the regular business of agencies, such as reducing travel, printing, use of vehicles, use of personal service contracts and memorandums of agreement. With the passage of the 2003 budget, Kinney shared there are two areas that go above and beyond the restrictions from the Governor's Executive Order as follows:

- Reduction of Unclassified Employees - One provision calls for a reduction of 250 unclassified employees across state government. Department staff are talking with the Personnel Cabinet about what this means relative to Department staffing with the most recent number received requiring a reduction of about 19 people. Clarification was requested from Board members as to whether this would be in addition to the 88 persons already lost through the Regional Service Centers and staff replied affirmatively. It was also explained that most of the positions lost in the Regional Service Centers were not unclassified positions, except for the seven directors, which would count in the required reduction. Staff went on to say that the reduction must occur by December 2003 and noted that some of the positions may be accounted for through retirement or attrition. However, it was emphasized that these cuts will have a significant impact on the Department's staffing because these are leadership positions and represent about a 20% reduction of the Department's management team.

Questions were then raised regarding the reduction of principal assistants down to the level existing in 1995. Deputy Commissioner Kevin Noland clarified that if only 18A principal assistants are considered, the Department is already at the required level. However, he explained that other principal assistants exist in the system administered by KEDC and the number of reductions will depend on whether these are counted. Noland said the Department hopes to have answers to these issues by June. Commissioner Wilhoit added that the ultimate decision lies with the Governor's Office because they will give the Department the actual numbers required for reduction.

At this point Helen Mountjoy emphasized how grateful the Board is to the legislature that this body went to extraordinary lengths to keep dollars allocated to schools through the SEEK formula at a robust level. However, she noted that there is no escaping the fact that the Department of Education sustained a 24% cut in dollars and could possibly sustain an almost 20% reduction of leadership staff. Mountjoy stated this is going to cause serious problems in maintaining a high level of support from the Department to school districts.

- Personal Service Contracts and Memorandums of Agreement - Another general budget provision dealt with the amount of personal service contracts and memorandums of agreement. Department staff indicated these are usually mechanisms an agency turns to when it is short in staffing in order to outsource work. However, the budget requires a reduction across state government of \$100 million in personal service contracts and memorandums of agreement for this next year, with the amount encumbered in 2001-2002 serving as a baseline. This places additional constraints on the Department and will present a challenge on how to deliver services.

Chair Mountjoy brought closure to the budget and legislative discussion by noting that the Commissioner and his staff have been meeting to come up with ways to deal with the personnel and budget cuts. She noted that due to these issues, the Board will have to devote time at the upcoming retreat to identify its areas of greatest priority. The chair pointed out that due to the cuts in staff and resources, limitations exist in what can humanly be accomplished.

The Commissioner then voiced the necessity of having conversations about what will happen in the next legislative session because the Department is going into the next session with \$60 million in obligations that must be made up in 2004. He went on to say that if one looks at recovering the programs lost, the amount increases to \$143 million and if the annual obligations for facilities are included, another \$20 to \$25 million is added to the amount. Wilhoit emphasized that this amount exists before any conversations occur about new programs.

BRIEFING ON THE SEEK FORMULA

At the Board's request, Associate Commissioner Kyna Koch presented a PowerPoint presentation that explained the intricacies of the SEEK formula. She noted the lawsuit that occurred in 1988, which resulted in the creation of SEEK as Kentucky's new funding formula, was originally about dollars but actually resulted in total education reform.

The presentation characterized SEEK as a tiered system that is a combination of state and local funds. It starts with an adjusted base plus Tier 1 and Tier 2. The Commissioner noted that the base started at an amount of \$2,305 and has moved to \$3,149. To calculate the base, staff indicated this includes a guaranteed base set by the General Assembly plus at-risk, transportation, exceptional children, and home and hospital. Relative to the

transportation component, staff indicated that they would be drafting recommendations for the Board's consideration to forward on to the 2004 General Assembly.

A question was posed as to how much of SEEK is driven by legislation and how much is determined by the Department of Education. Department staff responded that 99% of the calculation is driven by legislation and only 1% by Department of Education interpretation. A second issue was raised on why the Department would want to move other programs into the SEEK formula. Staff indicated that meeting the individual needs of students is the responsibility of districts and putting programs into SEEK or the flexible focus fund allows districts to decide how best to spend the funds.

The Commissioner then noted as to the exceptional children component, there is a perception by some legislators that the kind of incentives provided through SEEK for these children serves as a reward system for identifying more of them. It was also noted that staff will be bringing possible legislation to the Board for consideration on the issue of districts getting paid on seat time relative to the home and hospital component.

Next, both Tier 1 and Tier 2 were thoroughly explained with Tier 2 characterized as where one starts to see the difference in funding for districts. Only four or five districts were reported as not being in Tier 2 with a decision having to be made at that point whether to levy additional assessments under House Bill 940 or House Bill 44. Only seven districts were reported as levying under House Bill 940, showing that House Bill 44 is a friend to most school districts.

Due to time constraints, Board members were invited to direct any further questions about this complicated formula directly to staff.

REGULAR COMMITTEE MEETINGS

The Management Support and Learning Support/Learning Results Committees met from 3:15 p.m. to 4:30 p.m.

Thursday, April 3, 2003

KBE AUDIT COMMITTEE MEETING

The KBE Audit Committee met from 8:00 a.m. to 9:00 a.m.

RELEASE OF THE PHASE I ADEQUACY STUDY

Dr. Allen Odden and Dr. Larry Picus presented the findings of the SEEK Phase I Adequacy Study titled "A State-of-the-Art Approach to School Finance Adequacy in Kentucky". This is the first part of a two-phase study on what adequate revenue in Kentucky is. Phase 2, "Professional Consensus or Judgment Approach" is currently underway and is scheduled for completion by the end of April for presentation to the Board and legislature in June.

Major findings of the Phase I, State-of-the-Art Approach relative to school finance adequacy in Kentucky would:

- Require an additional \$740 million, \$175 million to extend preschool services, and \$565 million for K-12 programs or an increase in spending of \$873 per pupil.
- Increase resources for elementary schools, mainly to decrease student-teacher ratios to 15:1 for kindergarten to grade 3 and for full-day kindergarten.
- Increase expenditures for professional development to a level that research shows is required to change classroom instructional practice in ways that boost student academic achievement.
- Increase support for technology to replace, upgrade and maintain computer technologies now in schools, and lower the student ratio to 1:3.

A question was raised about whether the model presented in the study could be characterized as a Cadillac and if so, is there a Chevrolet model. Dr. Odden replied that the model is not comparable to a Cadillac but instead is what he would say is a new, improved Chevrolet. The current funding level was characterized as a Yugo.

Another issue was raised as to whether the model proposed in the study is seen as a systemic initiative or if it would be equally as powerful for the individual elements in the study to stand alone. Dr. Odden indicated that the model could be seen as both. He explained that a state could phase-in preschool, full-day kindergarten, professional development, class size and literacy by fourth grade, thus, winning much of the battle. Odden went on to say that the first thing that needs to be re-envisioned is the use of current resources and emphasized this would not be the same for every school. He also noted there are action strategies that could be implemented having no cost. Dr. Picus advised that the important thing to do is to set a timeline and implement a plan that moves toward the new funding level, because it is not necessary to get to the required level all at one time.

In bringing closure to the discussion, Chair Helen Mountjoy pointed out there are a lot of things necessary for good schooling that dollars cannot buy, such as school leadership and community involvement. Commissioner Wilhoit added there was no more important discussion in the Commonwealth today as the one on school funding. He emphasized that this will be a difficult set of decisions for our state leaders to make but stated he does not want to retreat from the issue because it is so important to have this serious conversation.

HEARING OFFICER'S REPORT

No statements of consideration were brought forward for consideration by the Board; however, a proposed agreed settlement on Jackson City School's accountability

performance judgment was brought to the Board's attention. At staff's recommendations, Keith Travis moved to adopt the agreed settlement and Gail Henson seconded the motion. The motion carried.

Another matter requiring the Board's approval was the referring of a school-based decision making matter in Bell County to a hearing officer. Upon staff's recommendation, Gail Henson moved to refer the matter to a hearing officer and Alcie Combs seconded the motion. The motion carried.

Chair Mountjoy brought this section of the meeting to a close by noting that two performance judgment appeals are still active and stated if these are not settled, the Board will need to appoint a performance judgment appeals panel at the May retreat.

APPROVAL OF ACTION/CONSENT AGENDA

David Tachau moved to approve those items listed on the Board's Action/Consent Agenda as follows:

- District Facility Plans: Anderson, Clark, Knox, Morgan, Oldham, Pulaski and Taylor Counties and Silver Grove Independent
- District Facility Plan Amendments from Russell County
- 2002-2003 Local District Tax Rates Levied

Gail Henson seconded the motion and the motion carried.

KBE AUDIT COMMITTEE REPORT

Due to Audit Committee Chair Jeff Mando's absence from illness, Helen Mountjoy chaired the committee's meeting. The following items received consideration:

Review of Expense Documentation at KDE - FY 2002 - Three recommendations were made relative to the expense documentation by the auditor and the committee was assured that the auditor was satisfied with the Commissioner's response. Helen Mountjoy moved acceptance of the report on expense documentation and the Board agreed with the motion.

Review of Regional Service Center Operations – FY 2002 - The content of this report was deemed to be somewhat moot since the Regional Service Centers are going out of existence. Thus, Helen Mountjoy moved to just accept the report and the Board agreed.

Closed Session on Personnel - It was reported that John Heeb has decided to retire and that Heeb indicated the major part of the auditor's work is completed with this function not really being full-time work anymore. The auditor was

asked to wrap up the few remaining items and also check to see if past recommendations have been implemented. The Board's thanks were expressed to John Heeb for bringing to the Department a level of expertise that it did not previously have. It was noted that the committee will be reviewing how to continue the audit function on a less than full-time basis.

LEARNING SUPPORT/LEARNING RESULTS COMMITTEE REPORT

Committee Chair Gail Henson presented the following report to the Board:

Preschool Funding, 2003-2004 Rates – Chair Henson said the issue before the Board today was to approve the rates. It was reported that more children are using preschool services with a lesser amount of dollars being available per child. She explained that the data shows a large number of children are being identified as disabled and this is due to better identification procedures. A great concern was expressed about the under-funding of this program and Henson indicated her committee has asked for a full board briefing on preschool in June. At that point, she moved approval of the preschool rates and set aside. The Board agreed.

2002 Report, 2002 Exceptions and 2003 Plan as required by 702 KAR 1:115, Annual in-service training of district board members – The Kentucky School Boards Association conducts eight of the twelve hours of local board training. Chair Henson said her committee found the report to be complete and the exceptions valid. Thus, she moved approval and the Board concurred.

704 KAR 7:050, Student Discipline Guidelines (Intent) – Chair Henson noted that the document incorporated by reference in the regulation reflects legislative changes that have occurred since 1985 and stated that the Local Superintendents Advisory Council had recommended approval. Thus, she moved approval of the intent to amend 704 KAR 7:050 and the Board concurred.

Writing Portfolios – The Learning Support/Learning Results Committee discussed concerns about teachers spending a concentrated amount of time in order to complete writing portfolios instead of making this a regular part of instruction. Chair Henson explained that Starr Lewis heard the concerns and will be following up on ways to help teachers with this issue. This item will come back to the committee and be scheduled on its agenda when the committee desires.

MANAGEMENT SUPPORT COMMITTEE REPORT

Committee Chair Keith Travis reported the following items as being considered by the Committee:

Monroe County Board of Education's Request for a Day of Mourning – Monroe County has requested a day in their calendar be designated as a day of

mourning and that attendance be excused on that day. The district was reported to have missed 11 days total for the year. Chair Travis said that the committee did not reach a decision on this request due to asking for more information from staff and thus, he requested a motion come before the full Board for approval. Keith Travis then moved to approve the day of mourning with the understanding that the district will request only four of the five emergency days available through legislative action. David Tachau seconded the motion. The motion carried.

Covington Independent Update – It was reported that the Covington Independent District has not yet borrowed money but will probably have to do so soon. Chair Travis expressed that his committee’s concern about this district is still very high and he asked the Commissioner how the Department plans to support the management assistance function in Covington since this item was not funded in the recent budget. The Commissioner responded that it would be a mistake to withdraw support from Covington at this point. Chair Mountjoy added this is a topic that must be talked about at the retreat with alternative methods determined to carry out the support.

Mr. Travis continued his report by sharing that Holmes Junior and Holmes Senior High Schools will combine into one school for next year. However, from July 1 through August 16, no council will exist to make decisions for the school with an interim principal in charge. Travis emphasized his committee feels that although this is legally permissible, it is not in the spirit of the school-based decision making initiative. He asked for a letter expressing the Board’s concern about this issue to be drafted for the Board chair’s signature. The letter should indicate a strong recommendation to put a council in place for the combined schools by July 1. Keith Travis made a motion to this effect and Hilma Prather seconded the motion. The motion carried.

KHSAA Title IX Update – Sixty schools were reported as being audited by KHSAA for Title IX compliance this year with 39 schools in line for audits next year. Chair Travis noted that the committee received an overview of the audit process. Some concerns were expressed within the committee about being able to determine from the KHSAA report what the most critical issues are. Thus, KHSAA staff agreed to prepare for the committee a summary of what has been done on the audits thus far and highlight any items of critical importance. Travis went on to say that as next year’s audits are completed, the Board will need to consider whether it wants to continue this type of audit process. In closing, he noted that the committee will be setting a date to visit the KHSAA facility soon and invited other Board members to attend the visit.

INTERNAL BOARD BUSINESS

Chair Helen Mountjoy brought the following items to the Board’s attention:

- Board members were reminded to send in their Executive Ethics form by April 15.
- Due to budget constraints, the Board was asked to consider whether to proceed with having the October meeting in Northern Kentucky or move it back to Frankfort. Research done by Mary Ann Miller was reported that showed a meeting to cost between \$10,000 to \$10,500 when conducted out of Frankfort versus about \$2,000 per meeting when held in Frankfort. A question was raised about whether school visits could occur even if the meeting was held in Frankfort and it was concluded that visits could be scheduled within Frankfort or any of the surrounding school districts. Consensus was reached to hold the October meeting in Frankfort.
- Board members were reminded that even if they attend an activity through NASBE where all expenses are paid, a permission form must be filed with the Finance Cabinet before the trip can be scheduled. Also, it was noted that airline costs vary and if Board members book their own flights and use high-priced flights, the full amount may not be reimbursed to them.
- For those Board members attending cooperative meetings in their areas, they were reminded that talking points used by Department persons attending these cooperative meetings are distributed to them and can provide a heads-up on what major topics of discussion may be.
- The Board chair asked that if Board members are contacted by groups asking for a Board member to serve as a group member, the request be funneled through the full Board in order to balance responsibilities among all Board members.
- Relative to the list of superintendent vacancies distributed to the Board by Tim Hanner, Department staff were asked to find out for the three positions currently being filled the number of applications received, the number of those applications who were minority individuals and the number of minorities interviewed for the positions. Concern was also expressed that the Board and Department need to be proactive in reiterating to districts the need to hire minorities. It was suggested that the Department find more creative or thoughtful ways to encourage the hiring of minority superintendents.
- Janice Allen desires to attend NASBE's new board member institute and she asked for approval to do so. Keith Travis moved approval of Janice Allen's attendance and Paul Whalen seconded the motion. The motion carried.

ADJOURNMENT

The meeting adjourned at 12:05 p.m.